Experts Believe Lack of Incentives and Financial Interests Are Barriers to Integrated and Accountable Care


New York, N.Y., July 26, 2010—Nearly nine of 10 leaders in health care and health care policy think that the lack of incentives and current financial interests of providers and other stakeholders are barriers to moving health care toward more integrated and accountable delivery models. The latest Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey, published today, asked leaders their views on barriers to delivery system innovation and strategies for fostering more accountability and coordination among health care providers.

Health care leaders pointed out obstacles to the growth of accountable care organizations (ACOs), but were also quick to identify potential solutions. Large majorities support providing special payment arrangement to ACOs (65%) and giving providers financial incentives to practice in ACOs (65%)—similar to provisions in the Patient Protection and Affordable Care Act signed into law by President Barack Obama earlier this year.

Accountable care organizations are provider-led health care systems that are accountable for patient health outcomes and coordinate health care across providers and settings. ACOs can take on many forms, including tightly integrated systems like Kaiser Permanente, with hospitals and physician group practices all under the same umbrella, and physician group practices like those that took part in the 5-year Medicare physician group practice demonstration.1

Majorities of leaders support the growth of more integrated models of care delivery, like ACOs and integrated delivery systems, but also voiced concerns. Nearly three-quarters (74%) of opinion leaders said they were concerned or very concerned with providers acquiring excessive market power and dominance. To safeguard against such undue market share, a majority of health care leaders (56%) support regulation of ACO payment rates in regions with insufficient market competition—similar to the way a public utility is regulated. To alleviate concerns that accountable models of care would encourage providers to withhold appropriate care, more than eight of 10 leaders support the development of performance metrics for ACOs, as well as increased transparency and public reporting on quality of care, resource use, and costs.

"Across the board, leaders in health care say that our current perverse financial incentives are the chief barrier to implementing accountable and integrated systems of care that would improve quality and efficiency," said Karen Davis, president of The Commonwealth Fund. "The good
The news is that the Patient Protection and Affordable Care Act goes a long way toward overcoming these financial barriers, and paving the way for a high-performance health system."

Other findings from the survey include:

- Sixty-three percent of opinion leaders support or strongly support development of a national accreditation system for ACOs.

- Nearly eight of 10 leaders (77%) support or strongly support establishing standards for primary care capacity as a condition of qualifying for payment as an accountable care organization.

- Most health care opinion leaders (62%) support exempting ACOs from antitrust and other legal barriers to coordinating care and sharing cost information in exchange for meeting performance, disclosure, and accreditation standards, with support particularly high among leaders in health care delivery (80%).

The survey is the 22nd in a series from The Commonwealth Fund, and the 14th conducted in partnership with the publication Modern Healthcare. Commentaries by Secretary of Health and Human Services Kathleen Sebelius and former U.S. Senator David Durenberger appear in the July 26 issue of Modern Healthcare. The commentaries are also posted on the Fund's Web site, along with a Commission data brief discussing the survey findings.

Methodology: The Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey was conducted online within the United States by Harris Interactive on behalf of The Commonwealth Fund between June 8, 2010 and July 7, 2010 among 1,330 opinion leaders in health policy and innovators in health care delivery and finance. The final sample included 225 respondents from various industries, for a response rate of 17 percent. The complete methodology is available on The Commonwealth Fund Web site.

The Commonwealth Fund is a private foundation supporting independent research on health policy reform and a high performance health system.

1 Participants included Billings Clinic in Montana, Dartmouth-Hitchcock Clinic in New Hampshire, Everett Clinic in Washington State, Forsyth Medical Group in North Carolina, Geisinger Health System in Pennsylvania, Marshfield Clinic in Wisconsin, Middlesex Health System in Connecticut, Park Nicollet Health Services in Minnesota, St. John's Health System in Missouri, and University of Michigan Faculty Group Practice.